

STATE OF LOUISIANA
Department of Natural Resources ~ Office of Conservation
1525 Fairfield Avenue ~ Shreveport, Louisiana 71101-4388
Telephone: 318/676-7585, Fax: 318/676-7486

RE: Well Name & No. _____
Field _____ Sec/Twn/Rng _____

IMPORTANT INFORMATION ~ READ CAREFULLY

Your Permit-to-Drill application on the above referenced well has been forwarded to our Baton Rouge office for final review.

CONSERVATION ENFORCEMENT SPECIALIST (CES) ASSIGNED TO WELL:

Please contact _____ at _____. If no answer, please leave message referencing operator and well name and number.

NOTICE: CES listed above **must** be contacted **weekly** (Monday AM) to be updated on the current status of well. CES **must** also be contacted 12 hours **prior** to spud of well, surface casing test, reaching TD, surface casing retest, production casing test, well test, closing of reserve pit, and plugging and abandonment. If you elect to use a consultant or a drilling contractor on a turn-key basis, ensure they are aware of Office of Conservation requirements.

STATEWIDE ORDER NO. 29-B REQUIRES THE FOLLOWING:

1. A well shall not be spud prior to the issuance of a serial number.
2. A well sign shall be posted on the drilling rig and subsequently on well showing: Operator, Well Name and Number, Serial Number, Parish, and Section-Township-Range. A legible well sign shall be maintained until well is permanently plugged and abandoned.
3. Per Statewide Order No. 29-B, a minimum of _____ of surface casing shall be set ***provided*** no danger of freshwater sources exist. **Additional surface casing may be required if you plan to dispose of reserve pit fluids down the wellbore or surface casing annulus. Refer to fourth paragraph of enclosed Freshwater Protection Letter.**
4. Sufficient primary cement shall be used to fill the annular space behind the production casing string to such a point as local conditions require to protect the producing formations and all other oil and gas formations occurring above. But in every case, **no less cement shall be used than the amount necessary to fill the annular space to a point 500 feet (500') above the shoe.** A tail slurry other than *neat* Class H (or A as applicable) shall first be specifically approved by the District Manager.
5. Prior authorization is required for: Deepening, Sidetrack, Perforating (including initial completion), Cement Squeezing, Plugback, Stimulation, Plug & Abandon, and other work noted on Work Permit (Form DM-4-R). This Work Permit shall be submitted to the district office **prior** to commencement of work.

FORMS REQUIRED:

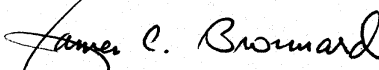
1. Completion Report (Form COMP): Two (2) typewritten copies to be filed **immediately** upon completion of well.
2. Well History (Form WH-1): **Preliminary:** Two (2) typewritten copies to be filed within 20 days after total depth is reached. **Final:** Two (2) typewritten copies to be filed **immediately** upon initial completion or plug and abandonment.
3. Apparent Deviation (Form AD): Two (2) typewritten copies to be filed with preliminary Well History within 20 days after total depth is reached.
4. Logs: Two (2) copies of **each electric log, 2" and 5", standard size**, to be filed with preliminary Well History and Apparent Deviation forms within 20 days after total depth is reached. **Note:** If an electric log is not run, submit a letter to this office so stating same.
5. Oilfield Waste Disposition (Form ENG-16): Two (2) typewritten copies to be filed **immediately** after reserve pit is closed. **(Note: Reserve pit shall be closed no later than six (6) months after total depth is reached.)**
6. An original signature is required on at least one (1) copy of the aforementioned forms.

FAILURE TO COMPLY WITH THE FOREGOING MAY RESULT IN THE ASSESSMENT OF A CIVIL PENALTY FOR WILLFUL VIOLATION OF THE PROVISIONS OF LOUISIANA R.S. 30:18.

Should you have any questions or desire clarification on any point, I can be reached at 318/676-7585.

Sincerely,

OFFICE OF CONSERVATION


James C. Broussard, P.E.
Shreveport District Manager

State of Louisiana



M.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

DEPARTMENT OF NATURAL RESOURCES OFFICE OF CONSERVATION

FRESHWATER PROTECTION LETTER

RE:

I have reviewed your application for permit-to-drill and have forwarded same to our division office in Baton Rouge for final approval.

Please note that water sands in the area you propose to drill extend to *approximately* _____ feet. It is strongly recommended by this office that you set sufficient surface casing to completely isolate these freshwater sands. However, if you elect to set surface casing to the minimum depth required by Statewide Order No. 29-B (_____) and freshwater sands extend below that depth, it is recommended you run a cementing collar (DV tool) to place cement around the production string across the base of freshwater. In either case, the local Conservation Enforcement Specialist (CES) must be contacted to conduct a surface casing pressure test and if the cementing collar is used, to witness the placement of the cement seal around the production string.

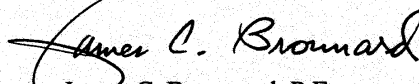
If neither of the above recommended actions are utilized during the drilling of the subject well, **be advised that water sands will remain exposed to other sands/formations in the open wellbore and may be subject to contamination.** Upon plugging and abandonment (P&A) of such a well, this office shall require that all water sands be isolated with cement. **NOTE:** *Where production casing is not recovered below the water sands during P&A operations, the production strings shall be perforated below the base of USDW, and cement squeezed and/or placed across the interval.*

Please note that the surface casing recommendation cited above does **not** constitute the amount of surface casing required to dispose of drilling mud and cuttings into the well. If you intend to inject the contents of a reserve pit downhole, please contact the Injection and Mining Division, UIC Section, in Baton Rouge at 225/342-5515 **before spudding the subject well** for additional surface casing requirements including depth of base of USDW and Form UIC-14, Application for Disposal of Reserve Pit Fluids.

If you should have any questions, please call me at 318/676-7585.

Sincerely,

OFFICE OF CONSERVATION


James C. Broussard, P.E.
Shreveport District Manager

JCB/cpp

xc: Well File

Rev. 12/4/02